

VIRGINIA DISTRIBUTION CENTER (VDC) DIVISION OF PURCHASES AND SUPPLY 2012 HIGHLIGHTS

Department of General Services
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The Virginia Distribution Center (VDC) is part of the Department of General Services, Division of Purchases and Supply. The VDC is a cooperative procurement function that provides a broad selection of high-quality services and products at the lowest prices by leveraging the collective buying power of the Commonwealth, utilizing efficient freight methods, and maintaining an onsite Quality Assurance Laboratory operation. Over 950 top-quality line items are available, including staple foods, frozen foods, janitorial supplies, paper and plastic products and other select items. The VDC's quality assurance program provides for evaluations of commodities for adherence to specifications. The VDC serves Commonwealth of Virginia agencies, mental health and correctional institutions, universities and colleges, localities, and political sub-divisions.

SAVINGS AND COST AVOIDANCE

- The VDC celebrated 52 years of cost avoidance for customers.
- The VDC conducts Market Basket Surveys annually for cost avoidance. Fiscal 2012 food-related purchases from VDC resulted in a cost avoidance of 52.23 percent over purchasing from local sources, and a cost avoidance of 82.97 percent for Fiscal 2011 housekeeping-related purchases. **The total cost savings dollar value for Fiscal 2012 was \$23.7 million.** The relative cost savings for Fiscal Years 2008 through 2012 are:

	2008	2009	2010	2011	2012
Food	29.08%	39.64%	27.58%	58.37%	52.23%
Housekeeping	60.96%	26.12%	59.24%	66.78%	82.97%
Cost Savings	\$15.1 M	\$11.1 M	\$13.9 M	\$20.7 M	\$23.7 M

- The VDC continued to improve its procurement process, including public-private partnerships and the Corrections Agribusiness Program partnership to further reduce product costs to customers.
- In Fiscal 2012, 60.17 percent of the VDC's purchases were from SWAM businesses. This equates to 53.92 percent of the dollars spent. This is well above the Governor's 40 percent of discretionary spend small business goal.

EMERGENCY OPERATION SUPPORT

- The VDC plays a critical role in supporting federal and state emergency planning, operations and response efforts so as to better serve the citizens of Virginia in times of catastrophic events affecting public health and safety. The VDC routinely

works with external emergency planning partners including the Centers for Disease Control and Prevention, U.S. Marshal Service, Virginia State Police, Virginia Department of Health, Virginia Department of Emergency Management and the Virginia National Guard (VNG). The VDC's commitment involves working with these agencies to plan and train for emergency situations where the receipt, storage and distribution of important life-sustaining supplies such as medicines, water and ice to our citizens can be assured. As an example, in the aftermath of Hurricane Isabel the VDC hosted over 100 Virginia National Guard personnel, providing working space, resources and living quarters to support the distribution of water and ice to Virginia communities. While the VDC was without power for 6 full days during this time, facility staff members were able to sustain the needs of the VNG and accommodate 100% of the VDC's customers' needs by the 3rd business day. Since then, federal and state partners have worked with the VDC to enhance emergency support capabilities. As a result, the VDC has been able to install a full-facility backup generator and improve facility physical protection through agreements with those agencies and at a minimal cost to DGS. The VDC's collaboration with multi-discipline partners to assure Virginia's readiness status with regard to large-scale events affecting the Commonwealth has resulted in federal and state recognition that **"Virginia's receipt and redistribution process of federally-delivered life-sustaining supplies is among the most organized and efficiently run organizations observed in the nation."**

CUSTOMER-FOCUSED SERVICE

- The VDC's laboratory provides a Quality Assurance Program that performs scheduled and random evaluations of commodities to ensure they adhere to specifications; the lab also responds to agency complaints concerning product quality. This function assures that the products meet or exceed customer expectations and increases customer cost avoidance.
- The VDC created a Quality Assurance Team to improve customer service and continues to utilize the team.
- The VDC developed a new invoice/delivery ticket that helped streamline and increase the efficiency of paper processing of manifests and invoices. It provides customers with more information and an easier-to-read invoice/



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packing slip. It also enables the VDC staff to provide customers with electronic copies (upon request) and eliminates issues with the system-generated report, which previously had to be corrected manually.

- The VDC continued a partnership with the Virginia Department of Transportation to warehouse, provide inventory management, and ship state and county maps across the Commonwealth. The VDC expanded this partnership to reduce the product cost on a large variety of items and enabled VDOT to reduce their service fee to a vendor.
- VDC staff have met with representatives from the multiple state governments including: Minnesota, New Jersey, New York, Ohio, and Pennsylvania, to provide them with ideas to create similar operations or reorganize current ones.
- The VDC has supported a wide range of third-party projects by providing:
 - ⇒ Facilities for forensic training for police officers
 - ⇒ Storage facilities for the Capitol renovation, 8th Street Office Building, and Washington Building construction projects
 - ⇒ Storage facilities for blast-resistance glass for the Governor's office
 - ⇒ Storage, working space, and assistance for the Department of Motor Vehicles during a major computer upgrade
 - ⇒ Assistance to the Virginia Department of Education and the U.S. Forest Service with the Capitol Tree 2004 Project by receiving and providing space for volunteers to evaluate and repackage the tree ornaments. The project resulted in a cost avoidance of \$12,000 which would have been the cost of hiring a private company to provide the assistance.

STRATEGY AND PLANNING

- The VDC continued to maintain its presence at a variety of events, including a presentation to the Department of Corrections (DOC) Annual Food Director's Conference and being an exhibitor in the DOC Vendor Show, Department of Mental Health, Mental Retardation, and Substance Abuse Services (DMHMRSAS) Housekeeping Seminar, Virginia Association of Governmental Purchasing (VAGP) Conference, Municipal Business League (MBL) reception at Virginia

Union University, and the DPS Public Procurement Forum.

- The VDC established and coordinates the quarterly Food Council and Housekeeping Advisory Committee meetings. The council and committee advise the VDC staff on specifications/quality levels, suggest new products, participate in product evaluations, suggest ways that the VDC can improve products and service, and provide networking opportunities for the VDC customers and staff.
- The VDC continued to improve the home page and market products via email distribution, website postings, mass mailings, faxes, and presentations to notify customers of new items, special buys, green products, DOC Agribusiness information, and the onsite Quality Assurance Lab.
- The VDC developed a web-based catalog (the VDC Dynamic Catalog) using a live reflection of product data stored in the VDC Warehouse Management System which can be accessed 24/7. Customers can view the latest items available with up-to-date item numbers, full descriptions, current prices, easy multiple product searches, online Material Safety Data Sheets (MSDS), and the ability to create a customized view of up to 19 items by using the View Selected Items feature. The web-based catalog was implemented in June 2003 and continues to be developed.
- The VDC provided over 500,000 pounds of food to the Virginia Federation of Food Banks.



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